

Agricultural Export Projection Lowered  
\$500 Million to \$57 Billion

Imports Raised \$1 Billion to \$43 Billion

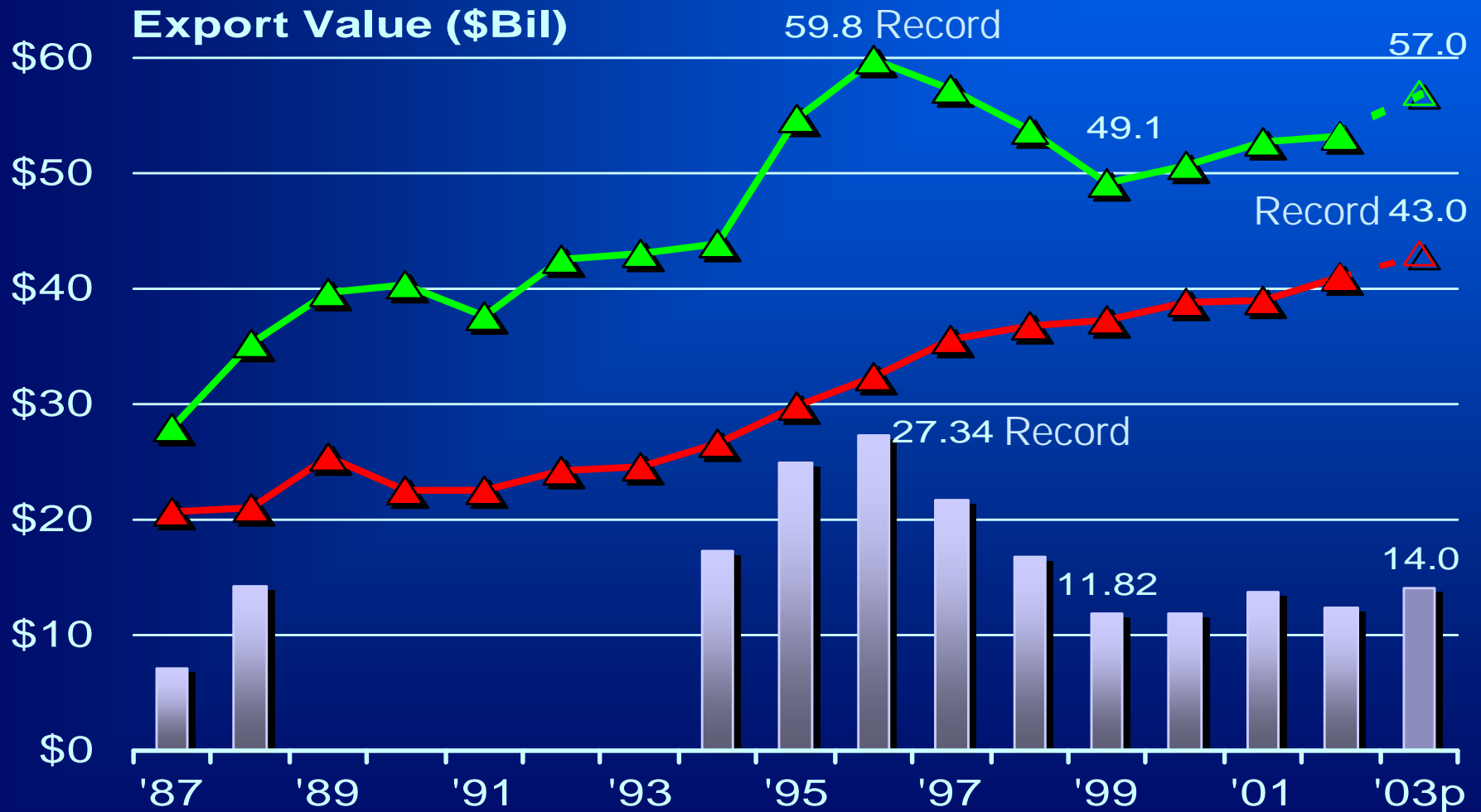
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## FY 2003 Export Projections for Ag, Fishery & Solid Wood Products

USDA's "Outlook for U.S. Agricultural Trade"  
was released at 4pm EST on December 2, 2002  
Presentation was prepared by Foreign Agricultural Service/USDA

# U.S. Agricultural Trade

FY 2003 exports projected at \$57 billion -- coarse grains, wheat & cotton drive most of the year-to-year growth; surplus at \$14 billion.



# Export Projections for Key Commodities/Countries

## Changes and Main Reasons

\$ Billions	Final FY 2002	Aug FY '03 Proj	Dec FY '03 Proj	Aug/Dec Chg	Main Reasons
Wheat & Flour	3.623	4.0	4.2	+0.2	mostly (+) price - tight HQ supply
Corn	4.581	6.2	6.1	-0.1	(-) vol -- increased competition
Cotton	2.052	2.7	2.6	-0.1	(-) volume -- poorer U.S. crop
Soybeans	5.468	5.4	5.7	+0.3	(-) price offset by (+) 1.9 mmt
Soybean Meal	1.294	1.3	1.1	-0.2	(-) price & volume
Beef/Pork	4.749	4.9	5.0	+0.1	(+) vol for beef & pork
Broiler Meat	1.546	1.7	1.6	-0.1	(-) vol -- mkt access/competition
Cotton	2.052	2.7	2.6	-0.1	(-) volume -- poorer U.S. crop
Hort. Prods.	11.109	11.5	11.3	-0.2	US crop, mkt access, exchd rate

*Initial 2003 Projections for Countries (compared to 2002 final)*

- Mexico +\$1 bil to \$8.1 bil & Canada +\$400 mil to \$9 bil (cgrain, H-V prods)
- Japan +\$700 mil to \$9 bil (coarse grain vols/prices; wheat; red meats)
- Canada & Japan tie for 1<sup>st</sup>; WHemisphere at \$21.7 bil (\$800 over Asia)

# Export Outlook for Grain & Feed Products

Revised FY 2003 Forecast:  \$100 Million to \$16.6 Billion

## Revised FY 2003 Forecasts

### Key Upside Developments

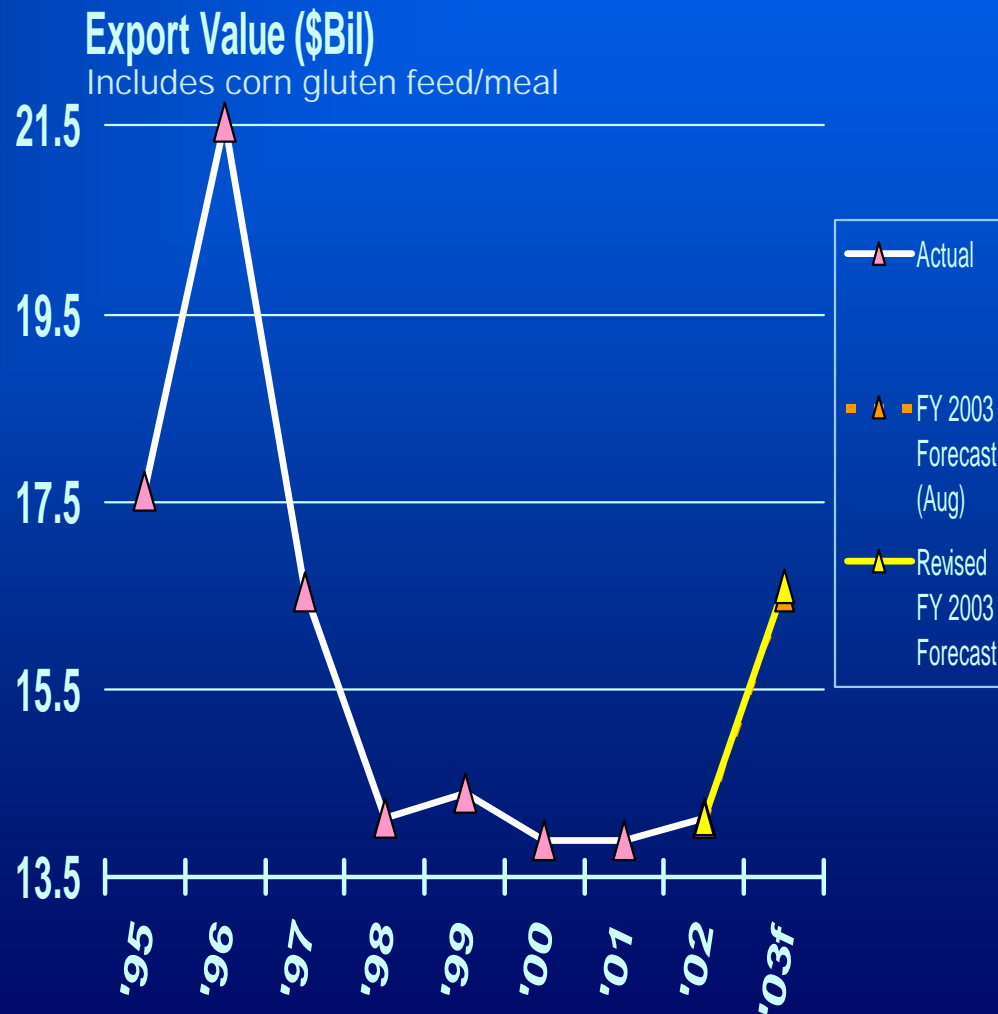
- U.S. benefiting from tight global supplies of high-quality wheats
- Strong feed grain demand from Mexico & Canada

### Key Downside Developments

- Ample supply of lower quality wheats
- Strong export competition from Argentina & China in corn mkts
- High prices boosting prospects for nontraditional exporters

### Wild Cards

- China's grain trade; EU export aggressiveness



# Export Outlook for Oilseeds & Products

Revised FY 2003 Forecast:  \$200 Million to \$9.6 Billion

## Revised FY 2003 Forecasts

### Key Upside Developments

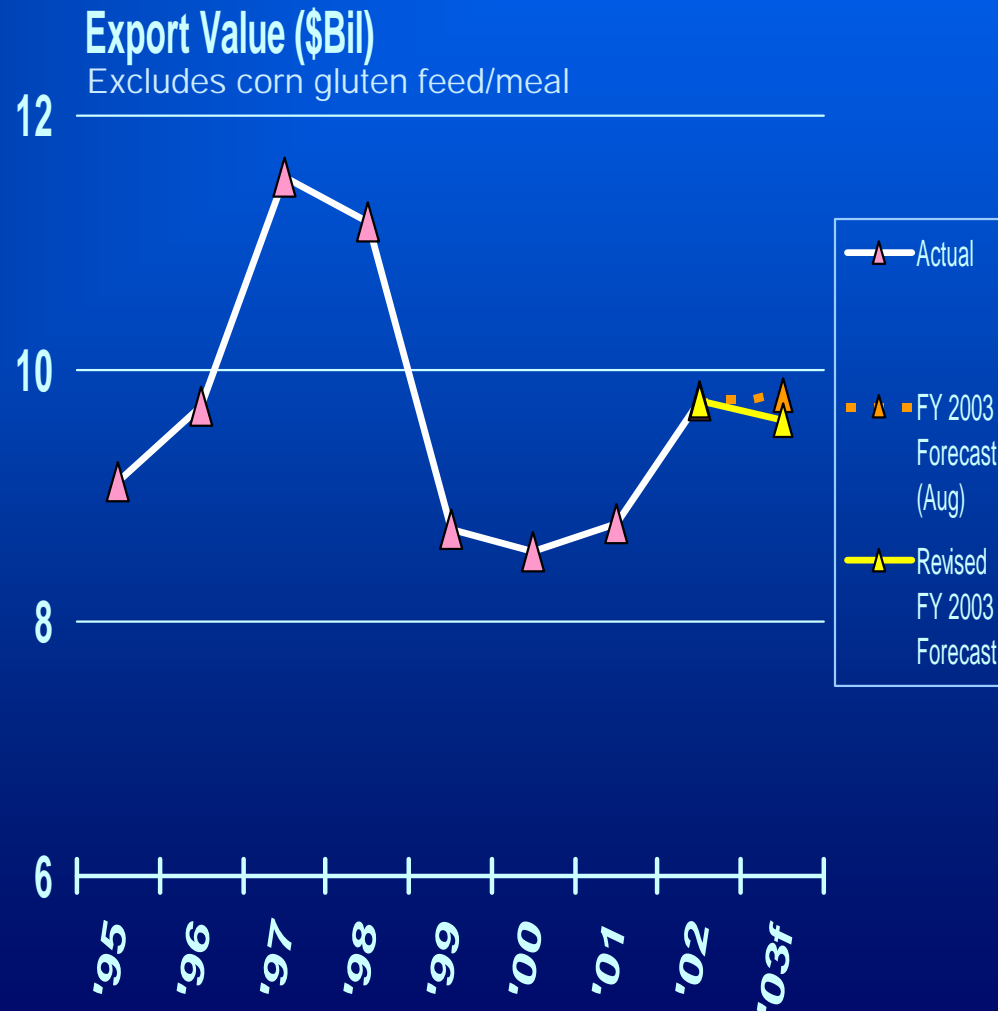
- U.S. soybean sales to China are stronger than expected
- U.S. soybean exportable supply increases as production estimate rises 1.8 MMT

### Key Downside Developments


- Larger S. American soybean supplies erode U.S. sales
- Oilseed unit values soften as soybean supplies grow

### Wild Cards

- Final S. American supplies remain uncertain



# Export Outlook for Cotton & Linters

Revised FY 2003 Forecast:  \$100 Million to \$2.6 Billion

## Revised FY 2003 Forecasts

### *Key Upside Developments*

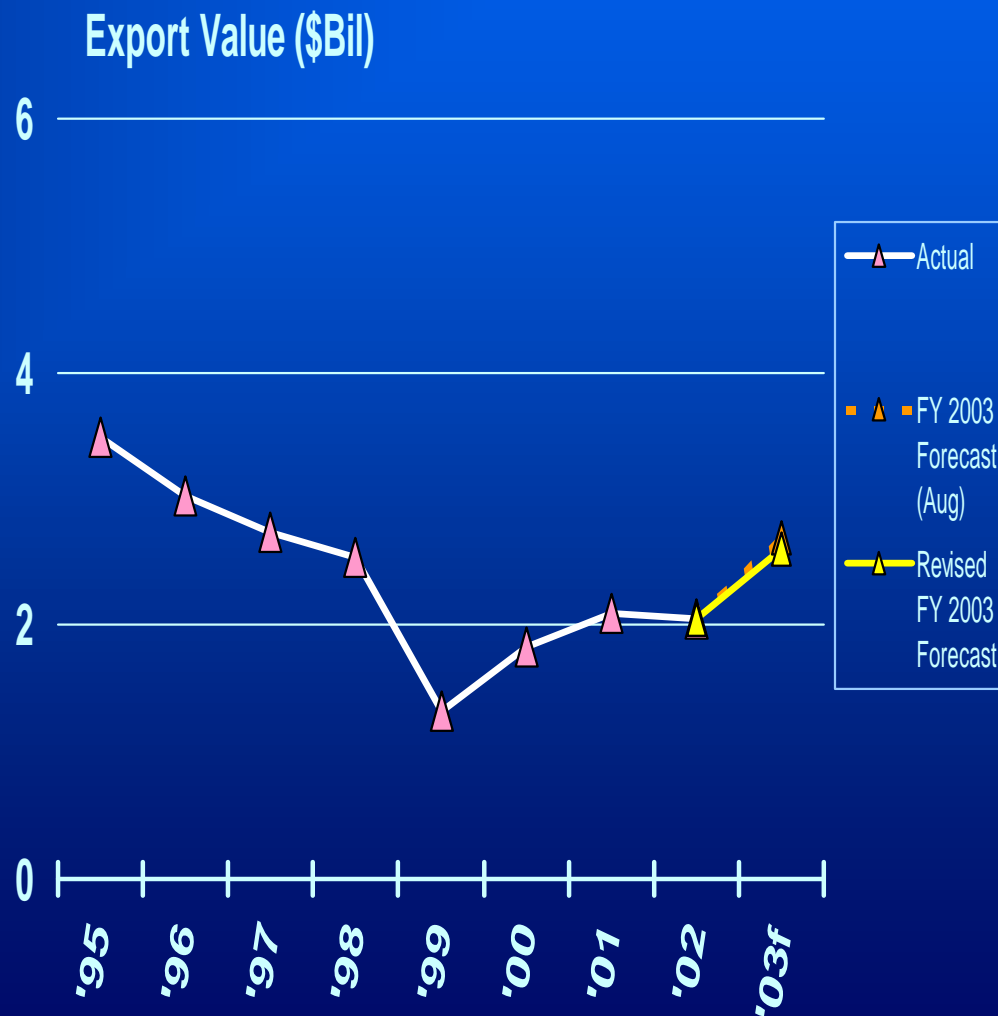
- Poor crop conditions in Southeast assure high quantities of exportable cotton

### *Key Downside Developments*

- Export sales & exports lagging

### *Wild Cards*

- U.S. & world economic situation



Note: FY '02 and prior years based on U.S Census data; FY '03 forecast based on USDA WASDE MY forecast.

# Export Outlook for Dairy, Livestock & Poultry

Revised FY 2003 Forecast:  \$200 Million to \$12.4 Billion

## Revised FY 2003 Forecasts

### Key Upside Developments

- Beef exports to Korea climb
- Pork exports to Japan remain strong

### Key Downside Developments

- Poultry trade disruptions to Russia & China/Hong Kong mkts
- Increased competition w/ Brazil in red meat & broiler meat mkts

### Wild Cards

- Impact of Japan's beef safeguard tariff
- Diseases; trade restrictions



# Export Outlook for Horticultural Products

Revised FY 2003 Forecast:  \$200 Million to \$11.3 Billion

## Revised FY 2003 Forecasts

### *Key Upside Developments*

- Modest economic growth and somewhat weaker dollar support sales to EU & Canada; Mexico's economic growth nears 4%

### *Key Downside Developments*

- Lower U.S. apple & pear crops
- Market access uncertainty for apples to Taiwan & Mexico
- Reduced U.S. fruit juice supply

### *Wild Cards*

- Record almond crop depresses prices, but sales volume should rise leaving overall export value somewhat uncertain



# Export Outlook for Fishery Products

Revised FY 2003 Forecast: Unchanged at \$3.1 Billion

## Revised FY 2003 Forecasts

### Key Upside Developments

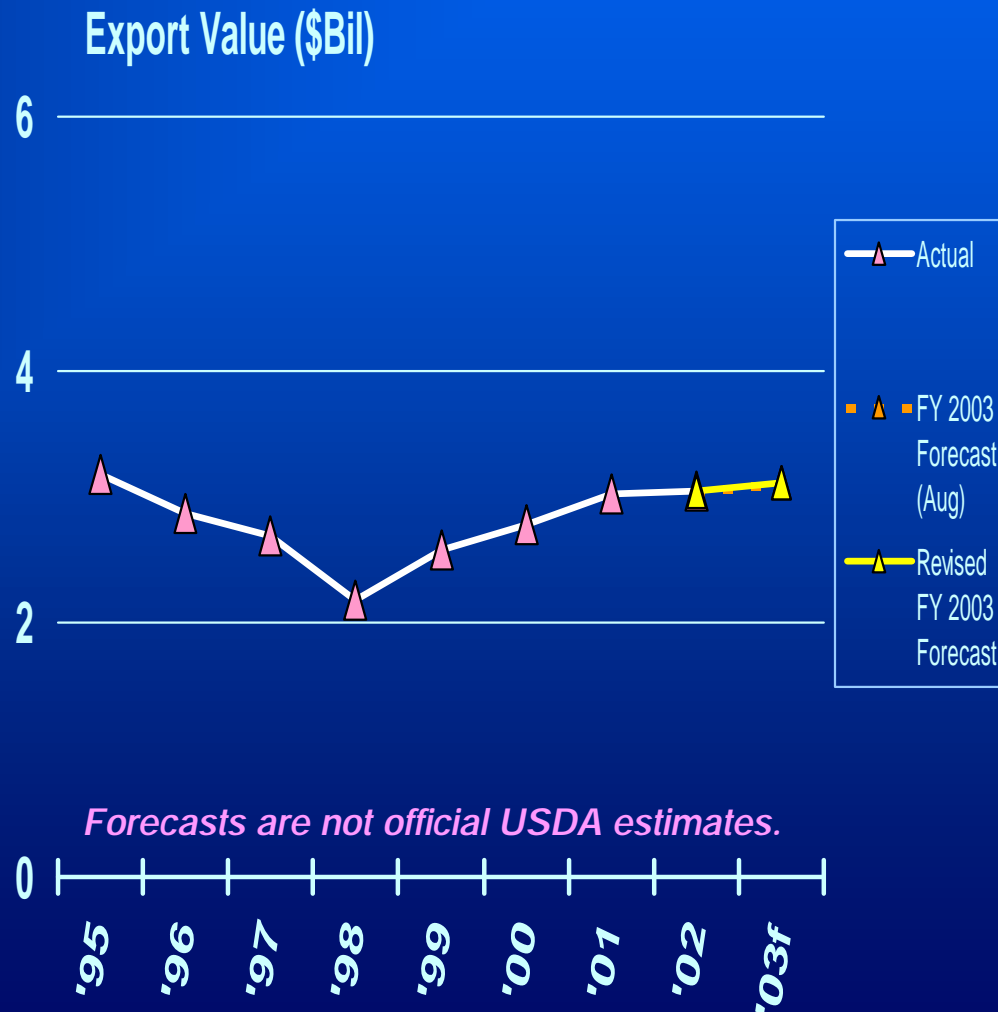
- Pollock fillets & other white fish should continue rapid export growth to EU (+59% from '01)
- Projected 50% increase in 2003 Bristol Bay (Alaska) salmon catch

### Key Downside Developments

- Prices remain down for catfish, pollock roe, shrimp & other prods

### Wild Cards

- Uncertainty of U.S. harvest for pollock, salmon & other species



# Export Outlook for Solid Wood Products

Revised FY 2003 Forecast:  \$100 Million to \$4.8 Billion

## Revised FY 2003 Forecasts

### Key Upside Developments

- China's growing furniture & interiors market leads to increased demand for U.S. hardwoods & softwoods
- China's revised building codes to allow wood frame construction

### Key Downside Developments

- U.S. softwood logs & lumber shipped to Japan keep losing market share to Scandinavia & Russia

### Wild Cards

- Illegal logging initiatives
- U.S. housing starts

